

# American Medical Association

Physicians dedicated to the health of America

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November 17, 2003

Mr. Chairman  
The Honorable William M. Thomas  
Chairman  
Committee on Ways and Means  
1102 Longworth House Office Building  
U.S. House of Representatives  
Washington, DC 20515

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Dear Mr. Chairman:

The American Medical Association (AMA) is proud to support the Medicare Prescription Drug and Modernization Act of 2003 conference report. Congress listened to America's patients and the physicians who serve them.

The AMA gave Congress a set of principles for a sound prescription drug policy. We asked that the pharmaceutical drug benefit be fully funded, as a separate new part of the Medicare program and provide for adequate accounting so that drug program expenditures can be tracked separately from all other expenditures. We asked that it be targeted to reduce hardship for those with low-incomes and those with catastrophic costs, and that patients be offered a choice of insurance options. The conference report meets all of these requirements.

We asked for help with the drastic 4.5% physician payment cut that physicians and other health care providers will face beginning in less than 2 months. We said that cuts in Medicare payments jeopardize access to medical care for not only seniors, but also for military retirees and their dependents. The conference report provides a two-year increase in payments for 2004 and 2005 of at least 1.5% each year. It also provides a mechanism to begin correcting the flawed payment formula in an effort to stabilize those payments over time.

We asked for relief from regulatory burdens imposed on physicians and other health care providers when dealing with the Centers for Medicare and Medicaid Services (CMS). Using many components of the AMA model bill, the conference report guarantees physicians certain due process rights in Medicare appeals and targets education dollars appropriately.

We asked for flexibility and assistance in moving toward electronic prescription technology. The conference report provides incentive grants to small, rural, and low volume practices instead of mandating that all providers use electronic prescribing technologies in a short timeframe. It also provides for "safe harbors" for group practices and others in an effort to make these technologies more widely available.

We asked to retain the coding system that makes sense for America's physicians, not to move to a new, untested system. The conference report removed language that would have imposed new, regulatory burdens in payment coding systems that physicians use every day. Moving physicians from some 7,000 codes to some 170,000 codes could only mean less time spent with patients.

We asked that geographic disparities in payments between rural and urban areas be diminished. The conferees worked out a compromise to increase payments in this regard and to thoroughly study patient access to physicians, as well as retention and attraction of physicians to scarcity areas.

The status quo is unacceptable to patients and their physicians. The Medicare conference agreement includes numerous provisions that will improve seniors' access to medical services. We worked closely with Congress to do the right thing for America's seniors. Congress heard us. We pledge to wholeheartedly support the Medicare Prescription Drug and Modernization Act.

Sincerely,

A handwritten signature in black ink, appearing to read "MD Maves", written in a cursive style.

Michael D. Maves, MD, MBA